

Informing the audit risk assessment for Warwickshire Pension Fund 2020/21

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Table of Contents

Section	Page
Purpose	4
General Enquiries of Management	6
Fraud	9
Fraud Risk Assessment	10
Laws and Regulations	15
Impact of Laws and Regulations	16
Related Parties	18
Accounting Estimates	20
Accounting Estimates - General Enquiries of Management	21
Appendix A – Accounting Estimates	24

Purpose

The purpose of this report is to contribute towards the effective two-way communication between Warwickshire Pension Fund's external auditors and Warwickshire Pension Fund's Audit & Standards Committee, as 'those charged with governance'. The report covers some important areas of the auditor risk assessment where we are required to make inquiries of the Audit & Standards Committee under auditing standards.

Background

Under International Standards on Auditing (UK), (ISA(UK)) auditors have specific responsibilities to communicate with the Audit & Standards Committee. ISA(UK) emphasise the importance of two-way communication between the auditor and the Audit & Standards Committee and also specify matters that should be communicated.

This two-way communication assists both the auditor and the Audit & Standards Committee in understanding matters relating to the audit and developing a constructive working relationship. It also enables the auditor to obtain information relevant to the audit from the Audit & Standards Committee and supports the Audit & Standards Committee in fulfilling its responsibilities in relation to the financial reporting process.

Communication

As part of our risk assessment procedures we are required to obtain an understanding of management processes and the Council's oversight of the following areas:

- General Enquiries of Management
- Fraud,
- Laws and Regulations,
- Related Parties, and
- Accounting Estimates.

Purpose

This report includes a series of questions on each of these areas and the response we have received from Warwickshire Pension Fund's management. The Audit & Standards Committee should consider whether these responses are consistent with its understanding and whether there are any further comments it wishes to make.

General Enquiries of Management

Question	Management response
<p>1. What do you regard as the key events or issues that will have a significant impact on the financial statements for 2020/21?</p>	<p>Border to Coast Pension Partnership - the fund has transitioned further assets to the pool this year.</p> <p>Covid-19 - its impact on the volatility of asset values and the uncertainty it adds to the valuation of some types of asset class.</p>
<p>2. Have you considered the appropriateness of the accounting policies adopted by Warwickshire Pension Fund?</p> <p>Have there been any events or transactions that may cause you to change or adopt new accounting policies?</p>	<p>Yes, we consider the accounting policies appropriate.</p> <p>No.</p>
<p>3. Is there any use of financial instruments, including derivatives?</p>	<p>Financial Instruments form part of the Pension Fund's investments. The nature of these are determined by the Fund Managers and Custodian.</p> <p>Fund managers may make use of derivatives to achieve investment objectives. Derivative instruments have been used during the year.</p>
<p>4. Are you aware of any significant transaction outside the normal course of business</p>	<p>No transactions outside of normal business. Significant transactions have occurred in respect of Fund launches and transitions in respect of Border to Coast Pension Partnership and in achieving strategic asset allocation targets.</p>

General Enquiries of Management

Question	Management response
5. Are you aware of any changes in circumstances that would lead to impairment of non-current assets?	The only non-current assets are investments. The value of investments fluctuate by their nature and will be valued at 31st March 2021.
6. Are you aware of any guarantee contracts?	Fund Managers may use financial instruments.
7. Are you aware of the existence of loss contingencies and/or un-asserted claims that may affect the financial statements?	None
8. Other than in house solicitors, can you provide details of those solicitors utilised by Warwickshire Pension Fund during the year. Please indicate where they are working on open litigation or contingencies from prior years?	Burness Paull LLP (Solicitors) to the Partner Funds were engaged regarding Border to Coast Pensions Partnership Limited: Supplemental shareholders' agreement in September 2020

General Enquiries of Management

Question	Management response
9. Have any of the Warwickshire Pension Fund's service providers reported any items of fraud, non-compliance with laws and regulations or uncorrected misstatements which would affect the financial statements?	A breach in respect of the timing of the issuing of Annual Benefits Statements was reported to the Pensions Regulator in 2020, however this has no impact on the accounts or the financial management arrangements of the Fund.
10. Can you provide details of other advisors consulted during the year and the issue on which they were consulted?	Hymans Robertson – Fund Actuary and Investment Advisor consulted on investment, funding, and administrative activities. Independent Financial Advisors to the Pension Fund Investment Subcommittee – Karen Shackleton (MJ Hudson), Peter Jones, and Bob Swarup (Camdor Global Advisors)

Fraud

Issue

Matters in relation to fraud

ISA (UK) 240 covers auditors responsibilities relating to fraud in an audit of financial statements.

The primary responsibility to prevent and detect fraud rests with both the Audit & Standards Committee and management. Management, with the oversight of the Audit & Standards Committee, needs to ensure a strong emphasis on fraud prevention and deterrence and encourage a culture of honest and ethical behaviour. As part of its oversight, the Audit & Standards Committee should consider the potential for override of controls and inappropriate influence over the financial reporting process.

As Warwickshire Pension Fund's external auditor, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

As part of our audit risk assessment procedures we are required to consider risks of fraud. This includes considering the arrangements management has put in place with regard to fraud risks including:

- assessment that the financial statements could be materially misstated due to fraud,
- process for identifying and responding to risks of fraud, including any identified specific risks,
- communication with the Audit & Standards Committee regarding its processes for identifying and responding to risks of fraud, and
- communication to employees regarding business practices and ethical behaviour.

We need to understand how the Audit & Standards Committee oversees the above processes. We are also required to make inquiries of both management and the Audit & Standards Committee as to their knowledge of any actual, suspected or alleged fraud. These areas have been set out in the fraud risk assessment questions below together with responses from Warwickshire Pension Fund's management

Fraud risk assessment

Question	Management response
<p>1. Have Warwickshire Pension Fund assessed the risk of material misstatement in the financial statements due to fraud?</p>	<p>The pension fund produces a statement of accounts following accounting policies designed to ensure fair and consistent reporting of the financial position. The Fund utilises the same anti-fraud arrangements as the administrating authority.</p>
<p>How has the process of identifying and responding to the risk of fraud been undertaken and what are the results of this process?</p>	<p>Internal Audit reviews provide assurance on the internal controls and systems which are used to deliver the accounts. Two internal audits have been completed during 2020/21, one in relation to investments and one in relation to administration.</p>
<p>How do the Council's risk management processes link to financial reporting?</p>	<p>The Pension Fund Investment Sub Committee review fund risks quarterly. The fund has operated a general fund at risk register and alongside that a specific Covid risk register during 202/21.</p>
<p>2. What have you determined to be the classes of accounts, transactions and disclosures most at risk to fraud?</p>	<p>A key risk is fund manager fraudulent activity. A key control around this is using Hymans Robertson as a consultant as they report on any identified issues (e.g. email alerts) and maintain a buy/sell list. Hymans Robertson have not reported any significant risks within the fund managers used.</p> <p>The administering authority ran a Fraud Awareness Week to raise the profile of fraud with staff.</p> <p>Risks are also mitigated through the use of an external custodian which creates a strong division of duties and means a high degree of collusion would be required to action and conceal any fraudulent activity.</p> <p>The internal officer signatory list was updated during the year and an updated scheme of delegation for the authorisation of transactions was approved by the Investment Subcommittee during the year.</p>

Fraud risk assessment

Question	Management response
<p>3. Are you aware of any instances of actual, suspected or alleged fraud, errors or other irregularities either within Warwickshire Pension Fund as a whole or within specific departments since 1 April 2020? As a management team, how do you communicate risk issues (including fraud) to those charged with governance?</p>	<p>The Fund is aware of a potential pension fund related fraud at an employer organisation that is being investigated.</p> <p>Breaches of the law in respect of pensions administration activity are reported to the Local Pension Board, and where appropriate to the Pensions Regulator.</p> <p>Any investment issues would be reported to the Pension Fund Investment Sub Committee (and to the Local Pension Board if the matter was a governance matter.</p> <p>Accounting issues or fraud issues would be reported to the Audit and Standards Committee, and also to pension committees and/or the Local Pension Board as appropriate.</p> <p>Internal audit reports may be reported to any of the above forums, and by default will automatically be reported to the Audit and Standards Committee. These reports may pick up issues to do with fraud, errors, controls, or other irregularities.</p> <p>Risk is reported to The Pension Fund Investment Subcommittee and the Local Pension Board quarterly. For the majority of the year, two risk registers were maintained, a general strategic risk register, and a specific Covid related risk register.</p>
<p>4. Have you identified any specific fraud risks?</p> <p>Do you have any concerns there are areas that are at risk of fraud?</p> <p>Are there particular locations within Warwickshire Pension Fund where fraud is more likely to occur?</p>	<p>Pension fund transfer scams (whereby unscrupulous companies persuade LGPS members to transfer their pension funds to other (generally higher risk and higher cost) pension schemes against the member's best interests.</p> <p>The Fund recognises that there are risks to the Fund, including the risk of fraud, and uses risk management and risk register to ensure that appropriate actions are in place to mitigate risks.</p> <p>No</p>
<p>5. What processes do Warwickshire Pension Fund have in place to identify and respond to risks of fraud?</p>	<p>Policies and procedures are published on the Intranet covering theft and fraud and the process staff should follow if they suspect anything. These procedures also state the escalation procedure if required.</p>

Fraud risk assessment

Question	Management response
<p>6. How do you assess the overall control environment for Warwickshire Pension Fund, including:</p> <ul style="list-style-type: none"> • the existence of internal controls, including segregation of duties; and • the process for reviewing the effectiveness the system of internal control? <p>If internal controls are not in place or not effective where are the risk areas and what mitigating actions have been taken?</p> <p>What other controls are in place to help prevent, deter or detect fraud?</p> <p>Are there any areas where there is a potential for override of controls or inappropriate influence over the financial reporting process (for example because of undue pressure to achieve financial targets)?</p>	<p>Controls mirror the County Council and independent assurance is provided through Internal Audit reviews.</p> <p>Internal Audit completed 2 audits in 2020/21. These covered administration and investment.</p> <p>Governance matters are reported to the Local Pension Board including the reporting of internal audit activity and findings. A key activity in 2020/21 was the implementation of actions arising from a governance review which assessed the governance arrangements in place against the Pensions Regulator Code 14 (Governance and Administration of Public Service Pension Schemes).</p> <p>External Audit provide an Annual Audit Letter to the Committee highlighting any areas of concern and recommendations following the annual audit of accounts.</p> <p>The administering authority's Annual Governance Statement is also applicable to the Pension Fund and is reported to Audit and Standards Committee.</p> <p>Procedures and processes are designed to minimise the potential for the override of controls. Financial reporting involves a broad spectrum of individuals with differing roles and responsibilities, and this spectrum of input minimises the risk of inappropriate influence over financial reporting. The Investment Subcommittee is independent of the officers and consultants who provide financial reports to it and is supported by independent financial advisers in assessing the financial reports that it receives.</p>
<p>7. Are there any areas where there is potential for misreporting?</p>	<p>Potential for misreporting is mitigated by processes and controls. The following groups report based on industry standards adopted:</p> <ul style="list-style-type: none"> • Managers – report based on guidelines • Custodian controls • Accounting protocols • The involvement of a wide range of different professionals. <p>The pension fund investment sub-committee has had 2 Independent Financial Advisers (reducing to 1 from January 2021) and this mitigates the risk of misreporting happening or going unnoticed.</p>

Fraud risk assessment

Question	Management response
<p>8. How do Warwickshire Pension Fund communicate and encourage ethical behaviours and business processes of it's staff and contractors?</p> <p>How do you encourage staff to report their concerns about fraud?</p> <p>What concerns are staff expected to report about fraud?</p> <p>Have any significant issues been reported?</p>	<p>This is communicated through the policies and procedures published on the Council intranet.</p> <p>The Council's Core behaviours encourage staff to report any fraudulent/otherwise unacceptable Behaviour. The values and behaviours includes being trustworthy, accountable, to help people and communities to find their own solutions and being high performing and customer focused.</p> <p>Council has a fraud response plan where staff can report any suspected or discovered fraud.</p> <p>The Council operates a whistleblowing procedure.</p> <p>Staff can raise any concerns and business practice and ethical behaviour can be reinforced.</p> <p>No</p>
<p>9. From a fraud and corruption perspective, what are considered to be high-risk posts?</p> <p>How are the risks relating to these posts identified, assessed and managed?</p>	<p>Pension Fund Officers within Investment team.</p> <p>A signatory protocol is in place that ensures division of duties, and periodic internal audit assignments review the application of controls and their effectiveness. Staff are appropriately qualified with a requirement to meet professional standards of conduct.</p> <p>IT security controls access to electronic information. There are professional qualification requirements for certain posts.</p> <p>An updated scheme of delegation was reported to and approved by the Pension Fund Investment Subcommittee during the year.</p>
<p>10. Are you aware of any related party relationships or transactions that could give rise to instances of fraud?</p> <p>How do you mitigate the risks associated with fraud related to related party relationships and transactions?</p>	<p>No</p> <p>If related party relationships were a feature of a transaction, conflicts of interest would be proactively identified and declared, and appropriate arrangements put in place to manage them.</p>

Fraud risk assessment

Question	Management response
<p>11. What arrangements are in place to report fraud issues and risks to the Audit & Standards Committee?</p> <p>How does the Audit & Standards Committee exercise oversight over management's processes for identifying and responding to risks of fraud and breaches of internal control?</p> <p>What has been the outcome of these arrangements so far this year?</p>	<p>Policies and procedures are published on the Intranet and these procedures also state the escalation procedure if required.</p> <p>The council has a Whistleblowing policy which is intended to promote a culture of openness and transparency.</p> <p>Oversight is also exercised through Internal Audit assignments reporting to the Audit and Standards Committee (and also to the Local Pension Board).</p> <p>Completed audits have been reported to the Audit and Standards Committee, and to the Local Pension Board. Pension fund officers are in the process of implementing actions.</p>
<p>12. Are you aware of any whistle blowing potential or complaints by potential whistle blowers? If so, what has been your response?</p>	<p>No</p>
<p>13. Have any reports been made under the Bribery Act?</p>	<p>No reports have been made of this nature.</p>

Law and regulations

Issue

Matters in relation to laws and regulations

ISA (UK) 250 requires us to consider the impact of laws and regulations in an audit of the financial statements.

Management, with the oversight of the Audit & Standards Committee, is responsible for ensuring that Warwickshire Pension Fund's operations are conducted in accordance with laws and regulations including those that determine amounts in the financial statements.

As auditor, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. As part of our risk assessment procedures we are required to make inquiries of management and the Audit & Standards Committee as to whether the entity is in compliance with laws and regulations. Where we become aware of information of non-compliance or suspected non-compliance we need to gain an understanding of the non-compliance and the possible effect on the financial statements.

Risk assessment questions have been set out below together with responses from management.

Impact of laws and regulations

Question	Management response
<p>1. How does management gain assurance that all relevant laws and regulations have been complied with?</p> <p>What arrangements does Warwickshire Pension Fund have in place to prevent and detect non-compliance with laws and regulations?</p> <p>Are you aware of any changes to the Council's regulatory environment that may have a significant impact on the Council's financial statements?</p>	<p>The Monitoring Officer and the Section 151 officer provide assurance that laws and regulations have been complied with. Our retained advisers also provide assurance, and we commission specialist advice where required.</p> <p>A Pension Fund governance review was carried out and reported to Local Pension Board in 2019 comparing practice with Pension Regulator requirements. An associated action plan has been implemented.</p> <p>The Fund maintains a register of breaches of the law.</p> <p>No</p>
<p>2. How is the Audit & Standards Committee provided with assurance that all relevant laws and regulations have been complied with?</p>	<p>Through a risk-based programme of internal audit work, the Annual Governance Statement, and the existence of policies and procedures to ensure compliance with the law (for example procurement policies).</p>
<p>3. Have there been any instances of non-compliance or suspected non-compliance with laws and regulation since 1 April 2020 with an on-going impact on the 2020/21 financial statements?</p>	<p>A breach in respect of the timing of the issuing of Annual Benefits Statements was reported to the Pensions Regulator in 2020, however this has no impact on the accounts.</p>
<p>4. Is there any actual or potential litigation or claims that would affect the financial statements?</p>	<p>The McCloud and Goodwin cases, however the impact may be immaterial.</p>

Impact of laws and regulations

Question	Management response
5. What arrangements does Warwickshire Pension Fund have in place to identify, evaluate and account for litigation or claims?	The Pension Fund have the support of an internal legal team within the Administrating Authority, and the option to commission external specialist legal opinion, advice, and support where necessary. The fund operates an Internal Dispute Resolution Procedure.
6. Have there been any report from other regulatory bodies, such as HM Revenues and Customs which indicate non-compliance?	None noted.

Related Parties

Issue

Matters in relation to Related Parties

Warwickshire Pension Fund are required to disclose transactions with entities/individuals that would be classed as related parties. These may include:

- entities that directly, or indirectly through one or more intermediaries, control, or are controlled by Warwickshire Pension Fund;
- associates;
- joint ventures;
- an entity that has an interest in the Council that gives it significant influence over the Council;
- key management personnel, and close members of the family of key management personnel, and
- post-employment benefit plans (Warwickshire Pension Fund) for the benefit of employees of the Council, or of any entity that is a related party of the Council.

A disclosure is required if a transaction (or series of transactions) is material on either side, i.e. if a transaction is immaterial from the Council's perspective but material from a related party viewpoint then the Council must disclose it.

ISA (UK) 550 requires us to review your procedures for identifying related party transactions and obtain an understanding of the controls that you have established to identify such transactions. We will also carry out testing to ensure the related party transaction disclosures you make in the financial statements are complete and accurate.

Related Parties

Question	Management response
<p>1. Have there been any changes in the related parties disclosed in Warwickshire Pension Fund's 2019/20 financial statements?</p> <p>If so please summarise:</p> <ul style="list-style-type: none"> the nature of the relationship between these related parties and Warwickshire Pension Fund whether Warwickshire Pension Fund has entered into or plans to enter into any transactions with these related parties the type and purpose of these transactions 	<p>No</p>
<p>2. What controls does Warwickshire Pension Fund have in place to identify, account for and disclose related party transactions and relationships?</p>	<p>Key officers and the members of pension fund committees and the Local Pension Board are required to declare any interests that cause a conflict of interest.</p> <p>Related parties are identified by officers and incorporated into the related parties disclosures in the accounts as appropriate.</p>
<p>3. What controls are in place to authorise and approve significant transactions and arrangements with related parties?</p>	<p>Transactions are reviewed by appropriate officers. Significant transactions (e.g. large fund transfers) are subject to more detailed planning and process.</p> <p>Transactions are signed off by appropriate officers in line with an approved scheme of delegation.</p>
<p>4. What controls are in place to authorise and approve significant transactions outside of the normal course of business?</p>	<p>Transactions are signed off by appropriate officers in line with an approved scheme of delegation. There is no facility to authorise transactions outside of this scheme of delegation.</p>

Accounting estimates

Issue

Matters in relation to Related Accounting estimates

ISA (UK) 540 (Revised December 2018) requires auditors to understand and assess an entity's internal controls over accounting estimates, including:

- The nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates;
- How management identifies the need for and applies specialised skills or knowledge related to accounting estimates;
- How the entity's risk management process identifies and addresses risks relating to accounting estimates;
- The entity's information system as it relates to accounting estimates;
- The entity's control activities in relation to accounting estimates; and
- How management reviews the outcomes of previous accounting estimates.

As part of this process auditors also need to obtain an understanding of the role of those charged with governance, which is particularly important where the estimates have high estimation uncertainty, or require significant judgement.

Specifically do Audit & Standards Committee members:

- Understand the characteristics of the methods and models used to make the accounting estimates and the risks related to them;
- Oversee management's process for making accounting estimates, including the use of models, and the monitoring activities undertaken by management; and
- Evaluate how management made the accounting estimates?

We would ask the Audit & Standards Committee to satisfy itself that the arrangements for accounting estimates are adequate.

Accounting Estimates - General Enquiries of Management

Question	Management response
<p>1. What are the classes of transactions, events and conditions, that are significant to the financial statements that give rise to the need for, or changes in, accounting estimate and related disclosures?</p>	<p>Covid-19 and the impact it has had on financial asset volatility is a circumstance that the accounts need to deal with, however, the accounting estimates and related disclosures made will be made in a way that has appropriate regard to the circumstances.</p> <p>Details of the basis for accounting estimates for Level 2 and 3 investments are included as notes to the accounts.</p>
<p>2. How does the Council's risk management process identify and addresses risks relating to accounting estimates?</p>	<p>Fund officers will consider the risks of accounting estimates during the production of the accounts and how to ensure that the basis for the estimates and their associated risks are transparently reported.</p>
<p>3. How do management identify the methods, assumptions or source data, and the need for changes in them, in relation to key accounting estimates?</p>	<p>The Fund asks fund managers to provide information as to their methods.</p>
<p>4. How do management review the outcomes of previous accounting estimates?</p>	<p>Fund managers review the updated accounting estimates and are aware of the differences in value to the estimates made at the accounting date (which were immaterial last year).</p>
<p>5. Were any changes made to the estimation processes in 2020/21 and, if so, what was the reason for these?</p>	<p>No.</p>

Accounting Estimates - General Enquiries of Management

Question	Management response
<p>6. How do management identify the need for and apply specialised skills or knowledge related to accounting estimates?</p>	<p>For investments, the Fund relies upon fund managers whose investments are valued at fair value in accordance with their appropriate respective professional guidelines. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.</p> <p>Regarding non-investment related accounting estimates (for example debtors and creditors), the Fund will ensure appropriately qualified staff or advisers are engaged.</p>
<p>7. How does the Council determine what control activities are needed for significant accounting estimates, including the controls at any service providers or management experts?</p>	<p>The fund custodian applies a roll-forward valuation based on the 31st December 2020 statements, adjusting for cashflows. This is compared to the year-end statement once available.</p> <p>Internal control reports from managers are reviewed.</p>
<p>8. How do management monitor the operation of control activities related to accounting estimates, including the key controls at any service providers or management experts?</p>	<p>The fund works closely with the custodian.</p> <p>Fund managers are required to operate to relevant professional and regulatory standards.</p> <p>Fund officers meet periodically with Fund managers to discuss fund activity, however historically this has focused on investment performance and investment management.</p>
<p>9. What is the nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates, including:</p> <ul style="list-style-type: none"> - Management's process for making significant accounting estimates - The methods and models used - The resultant accounting estimates included in the financial statements 	<p>Reconciliations are carried out against custodian reporting.</p> <p>The accounts are reviewed by the Assistant Director of Finance and the Strategy and Commissioning Manager (Finance).</p> <p>Draft accounts are reported to the Audit and Standards committee for review and comment.</p>

Accounting Estimates - General Enquiries of Management

Question	Management response
10. Are management aware of transactions, events, conditions (or changes in these) that may give rise to recognition or disclosure of significant accounting estimates that require significant judgement (other than those in Appendix A)?	No
11. Are the management arrangements for the accounting estimates, as detailed in Appendix A reasonable?	Yes, we believe they are reasonable.
12. How is the Audit & Standards Committee provided with assurance that the arrangements for accounting estimates are adequate ?	<p>We quantify the financial impact of estimation and uncertainty. This is reported to Audit and Standards as part of the Statement of Accounts.</p> <p>The use of appropriately experienced staff to prepare the accounts, reviews by professionally qualified more senior staff, external audit review, and the preparation of accounts in line with relevant accounting standards.</p>

Appendix A Accounting Estimates

Estimate	Question	Management response
Valuation of Level 3 Investments	1. Were any risks identified relating to the material accuracy of this accounting estimate for the financial year and, if so, how were these risks addressed?	Risks exist around the impact of C-19 on L3 investments. These risks are addressed by comparing against end March valuation.
Valuation of Level 3 Investments	2. How do management select, or design, the methods, used in respect of this accounting estimate, including the models used? Were any changes made to these methods or models in 2020/21, and if so what was the reason for the change?	Management rely on managers whose investments are valued at fair value in accordance with their appropriate respective guidelines.
Valuation of Level 3 Investments	3. How do management select the assumptions used in respect of this accounting estimate? Were any changes made to these assumptions in 2020/21, and if so what was the reason for the change?	Management rely on managers whose investments are valued at fair value in accordance with their appropriate respective guidelines.
Valuation of Level 3 Investments	4. How do management select the source data used in respect of this accounting estimate? Were any changes made to this source data in 2020/21, and if so what was the reason for the change?	Source data originates from the L3 manager and is reflected into the ledger through our custodian reporting. No change

Appendix A Accounting Estimates

Estimate	Question	Management response
Valuation of Level 3 Investments	5. Were any specialised skills or knowledge used in respect of this accounting estimates, and if so how were these specialist skills procured?	None procured.
Valuation of Level 3 Investments	6. How do management monitor the operation of control activities in relation to this accounting estimates, including the control activities at any service providers or management experts?	Internal control reports and audited financial statements provide assurance in relation to controls.
Valuation of Level 3 Investments	7. In management's opinion, are their adequate controls in place over the calculation of this accounting estimate, including those at any service provider or management expert used, and if so how is the robustness of the key controls assessed?	Internal control reports and audited financial statements provide assurance in relation to controls.
Valuation of Level 3 Investments	8. Were any changes made to the key control activities this year? If so please provide details.	No

Appendix A Accounting Estimates

Estimate	Question	Management response
Valuation of Level 3 Investments	9. How do management consider the estimation uncertainty related to this accounting estimate and address this uncertainty when selecting the point estimate to use?	There is some level of uncertainty which is inherent with L3 investment valuations. Management will consider estimation uncertainty, taking into account information provided by Fund managers and potentially undertaking exercises such as sensitivity analysis to inform reporting.
Valuation of Level 3 Investments	10. How do management consider the sensitivity of the estimate to the methods and assumptions used and identify the range of reasonably possible outcomes for disclosure in the financial statements?	Management will consider the information provided by fund managers and may review sensitivity to assumptions if appropriate.



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